

RETIRED PAY OF CERTAIN RETIRED OFFICERS

OCTOBER 6 (legislative day, SEPTEMBER 15), 1943.—Ordered to be printed

Mr. JOHNSON of Colorado, from the Committee on Military Affairs,
submitted the following

REPORT

[To accompany H. R. 693]

The Committee on Military Affairs, to whom was referred the bill (H. R. 693) to amend the Pay Readjustment Act of 1942 so as to entitle those officers of the Army retired between the dates of June 29, 1922, and January 1, 1923, who served in the military or naval forces prior to November 12, 1918, and have not had less than 10 years' commissioned service, to receive as retired pay 75 percent of active-duty pay, having considered the same, report favorably thereon, with the recommendation that it do pass.

Following World War I, specifically July 1, 1920, the peace strength of commissioned officers of the Regular Army was fixed at 18,000. Early in 1922 the strength was again fixed at 12,000. This reduction necessitated the discharge and retirement of several thousand officers. Those with less than 10 years' service were discharged with 1 year's pay. Those with more than 10 years' service, if service had been honorable, were retired with pay at the rate of 2½ percent of their active pay multiplied by number of complete years of service. Such pay is much less than 75 percent of their active pay. The service of these officers was honorable and by reason of their being lower than others in efficiency were selected for retirement to meet the reduction. In the Pay Readjustment Act of 1942 provision was made for paying officers (known as class B) retired under section 24-b, National Defense Act, 75 percent of their active duty pay. The officers concerned—less than 100—in this bill, H. R. 693, believe they are more entitled to receive 75 percent of their active duty pay than the class B officers.

The War Department has no objection to this bill.

H. R. 693 was passed by the House on June 21, 1943. In submitting the bill to the House, the House Committee on Military Affairs reported as follows (Rept. No. 533):

The Committee on Military Affairs, to whom was referred the bill (H. R. 693) to amend the Pay Readjustment Act of 1942 so as to entitle those officers of the Army retired between the dates of June 29, 1922, and January 1, 1923, who served in the military or naval forces prior to November 12, 1918, and have not had less than 10 years' commissioned service, to receive as retired pay 75 percent of active-duty pay, having considered the same, submit the following report thereon, with the recommendation that it do pass.

Under the act of June 30, 1922 (42 Stat. 716, 722), the number of officers on the active list of the Regular Army was reduced between June 29, 1922, and January 1, 1923, by resignations or action of a board of officers appointed thereunder. The purpose of this legislation is to readjust the retired pay of those officers, who had 10 years' service and service prior to November 12, 1918, and who were placed on the retired list by reason of the then-existing policy of retrenchment, on the basis of retired pay provided for officers with World War I service, retired under the provisions of section 24b of the National Defense Act or the act of July 29, 1941 (55 Stat. 606). Any officer who served in any capacity as a member of the military or naval forces of the United States prior to November 12, 1918, and is retired under the provisions of either of the last-mentioned laws, is entitled to receive 75 percent of his active-duty pay.

Under existing law, those officers affected by the legislation are entitled to receive 2½ percent of their active duty pay multiplied by the number of complete years of active service. Officers with World War I service retired under section 24b of the National Defense Act were entitled to retired pay likewise computed prior to the enactment of the Pay Readjustment Act of 1942, which provided that they shall receive 75 percent of their active-duty pay. Your committee consider that the officers affected by the bill should likewise be so entitled.

War Department letter follows:

APRIL 24, 1943.

HON. ANDREW J. MAY,

Chairman, Committee on Military Affairs, House of Representatives.

DEAR MR. MAY: The War Department does not object to the enactment of H. R. 693, Seventy-eighth Congress, a bill to amend the Pay Readjustment Act of 1942, approved June 16, 1942.

The purpose of the proposed legislation is to provide that any officer of the Army retired between the dates of June 29, 1922, and January 1, 1923, who served in any capacity as a member of the military or naval forces of the United States prior to November 12, 1918, and who has not less than 10 years' commissioned service shall receive 75 percent of his active-duty pay as retired pay. Section 2 expressly provides that the proposed measure shall not be construed to have retroactive effect.

Under existing law, the officers contemplated by this proposed legislation, except those retired under the provisions of section 24b of the National Defense Act, are authorized to receive 2½ percent of their active-duty pay multiplied by the number of complete years of active service. On the other hand, the retired pay of any officer retired under the provisions of section 24b, who served in any capacity as a member of the military or naval forces of the United States prior to November 12, 1918, is 75 percent of his active-duty pay (sec. 15, Public Law 607, 77th Cong., approved June 16, 1942).

The question whether to provide that officers retired under section 24b of the National Defense Act who had had World War service should receive 75 percent of their active-duty pay as retired pay was carefully considered by the War Department several months ago, when the revision of the laws providing pay and allowances for members of the military forces was under consideration. At that time the War Department concurred in the recommendation of the interdepartmental pay committee that such provision be not included in a joint service pay bill. The Congress, however, saw fit to depart from the recommendations of the interdepartmental pay committee in many respects. If, therefore, Congress should now deem it advisable to provide that any officer retired between June 29, 1922, and January 1, 1923, who served in any capacity as a member of the military or naval forces of the United States prior to November 12, 1918, and who has not less than 10 years' commissioned service, shall receive 75 percent of his active-duty pay as retired pay, it is not believed that it would be appropriate for the War Department to interpose objection.

The Bureau of the Budget advises that the enactment of the proposed legislation would not be in accord with the program of the President.

Sincerely yours,

HENRY L. STIMSON,
Secretary of War.

Letter from the Department of the Navy follows:

NAVY DEPARTMENT,
Washington, April 23, 1943.

HON. ANDREW J. MAY,
*Chairman of the Committee on Military Affairs,
House of Representatives.*

MY DEAR MR. CHAIRMAN: The bill H. R. 693, to amend the Pay Readjustment Act of 1942, approved June 16, 1942, was referred to the Navy Department by your committee with request for views thereon.

The purpose of the bill H. R. 693 is to amend the Pay Readjustment Act of 1942 by adding a new paragraph at the end of section 15, as follows:

"The retired pay of any officer of the Army retired between the dates of June 29, 1922, and January 1, 1923, who served in any capacity as a member of the military or naval forces of the United States prior to November 12, 1918, who has not less than ten years' commissioned service, shall be 75 per centum of his active-duty pay."

The act of June 30, 1922 (42 Stat. 722; 10 U. S. C. 978), provides that the pay of Army officers retired in the year 1922 by reason of reduction in personnel shall, in the case of those of more than 10 years' and less than 20 years' commissioned service, be at the rate of 2½ percent of their active pay multiplied by the number of complete years of such commissioned service; and in the case of those of more than 20 years' commissioned service be at the rate of 3 percent of their active pay multiplied by the number of complete years of such commissioned service, not exceeding 75 percent.

The act of June 30, 1922, and the amendment proposed in this bill apply to officers retired from the Army by reason of reduction in commissioned service. It does, however, embody class legislation in that it appears to benefit a certain group of Army officers retired between the dates of June 29, 1922, and January 1, 1923, for which reason the Navy Department feels that it should not be a part of a joint pay readjustment act.

The bill H. R. 693 does not relate to personnel of the Navy and Marine Corps, and, if enacted into law, would involve no charge against naval appropriations.

The Navy Department, in view of the above, recommends against enactment of the bill H. R. 693.

The Navy Department has been advised by the Bureau of the Budget that there would be no objection to the submission of this recommendation as the enactment of the legislation would not be in accord with the program of the President.

Sincerely yours,

FRANK KNOX.

In compliance with rule XIII of the Rules of the House of Representatives, changes in section 15 of the Pay Readjustment Act of 1942, approved June 16, 1942, made by the bill are shown as follows (existing law in which no change is proposed is shown in roman, new material in italics):

"Sec. 15. On and after the effective date of this Act, retired officers, warrant officers, nurses, enlisted men, and members of the Fleet Reserve and Fleet Marine Corps Reserve shall have their retired pay, retainer pay, or equivalent pay, computed as now authorized by law on the basis of pay provided in this Act, which pay shall include increases for all active duty performed since retirement or transfer to the Fleet Reserve or Fleet Marine Corps Reserve in the computation of their longevity pay and pay periods: *Provided*, That nothing contained in this Act shall operate to reduce the present pay of officers, warrant officers, nurses, and enlisted men now on the retired list or drawing retainer pay, or personnel in an equivalent status in any of the services mentioned in the title of this Act. Retired officers of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service and retired warrant officers, nurses, and enlisted men of those services, shall, when on active duty, receive full pay and allowances of the grade or rank in which they serve on such active duty and, when on active-duty status, shall have the same pay and allowance rights while on leave of absence or sick as officers on the active list, and, if death occurs when on active-duty status, while on leave of absence or sick, their dependents shall not thereby be deprived of the benefits provided in the Act approved December 17, 1919, as amended, and in the Act of June 4, 1920.

"In the computation of the retired pay of officers heretofore or hereafter retired with pay at the rate of 2½, 3, or 4 per centum of the active-duty pay received by them at the time of retirement multiplied by the number of years of service for which entitled to credit in the computation of their pay on the active list, not to exceed a total of 75 per centum of said active-duty pay, active duty performed by such retired officers subsequent to the date of their retirement shall be counted for the purpose of computing percentage rates and increases with respect to their retired pay. The increases shall be at the rate of 2½, 3, or 4 per centum for each year of active duty and a fractional year of six months or more shall be considered a full year in computing the number of years: *Provided*, That the increased retired pay of such retired officers shall in no case exceed 75 per centum of the active-duty pay as authorized by existing law.

"The retired pay of any officer heretofore retired under the provisions of section 24b, National Defense Act, June 3, 1916, as amended, who served in any capacity as a member of the military or naval forces of the United States prior to November 12, 1918, shall be 75 per centum of his active-duty pay: *Provided*, That no back pay, allowances, or other emoluments shall be held to accrue for any period prior to June 1, 1942, as a result of the enactment of this paragraph.

"The retired pay of any officer of any of the services mentioned in the title of this Act who served in any capacity as a member of the military or naval forces of the United States prior to November 12, 1918, hereafter retired under any provision of law, shall, unless such officer is entitled to retired pay of a higher grade, be 75 per centum of his active-duty pay at the time of his retirement.

"*The retired pay of any officer of the Army retired between the dates of June 29, 1922, and January 1, 1923, who served in any capacity as a member of the military or naval forces of the United States prior to November 12, 1918, who has not less than ten years' commissioned service, shall be 75 per centum of his active-duty pay.*"

